

A G E N D A

UTAH BOARD OF WATER RESOURCES

Department of Natural Resources

1594 West North Temple

Salt Lake City, Utah

December 20, 2002

10:00 a.m.

I. CALL TO ORDER

II. APPROVAL OF MINUTES - November 8, 2002

III. CHAIR'S REPORT

IV. WATER SUPPLY REPORT - NRCS

County

V. FEASIBILITY REPORTS

E089 Wolf Creek Water Conservancy, Inc.

Weber

E095 Taylor-West Weber WID

Weber

VI. COMMITTAL OF FUNDS

D983 Hanna Water & Sewer District

Duchesne

E032 East Bench Canal Co.

Utah

E064 Midway Irr. Co. (Ph. II)

Wasatch

VII. DAM SAFETY CONSTRUCTION FUNDING

C023 Consolidated Sevier Bridge Res. Co.

Juab

C026 San Juan Water Conservancy District

San Juan

VIII. SPECIAL ITEMS

E008 Callao Irr. Co. (Amendment)

Juab

E021 Billy Bethers Spring, Culinary, &
Domestic Water Supply Co.

(Withdrawal)

Wasatch

IX. DIRECTOR'S REPORT

X. OTHER ITEMS

XI. NEXT BOARD MEETING - Jan. 31, 2003 - Salt Lake City

XII. ADJOURNMENT

BRIEFING MEETING AGENDA

UTAH BOARD OF WATER RESOURCES

Room 314
Division of Water Resources
Salt Lake City, Utah

December 20, 2002

8:00 a.m.

- | | | |
|------|--------------------------------|-------------------|
| I. | WELCOME | Chairman Peterson |
| II. | DISCUSSION OF STAFF ACTIVITIES | |
| III. | DISCUSSION OF PROJECTS | Board/Staff |
| IV. | OTHER ITEMS | |

BOARD OF WATER RESOURCES**Revolving Construction Fund****Funding Status****December 20, 2002**

Funds Available for Projects This FY	\$	6,438,000
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Projects Contracted This FY

1 Redmond Lake Irr Co	E072		\$	61,000
2 Brady Ditch Irr Co	E073			60,000
3 East Bench Irr Co	E079			445,000
4 Piute Res & Irr Co (Piute Dam)	C022	Grant	**	2,752,500
5 Piute Res & Irr Co (Piute Dam)	C022	Loan	**	197,500
6 Consolidated Sevier Bridge Res Co	C023	Grant	**	650,000
Contracts for Dam Safety Studies			**	79,000

Total Funds Contracted	\$	4,245,000
Funds Balance	\$	2,193,000

Projects with Funds Committed

1 Parowan West Fields Irr Co	E044		\$	15,200
2 Deseret Irr Co	E056			88,000
3 Fremont Waterworks Co	E057			150,000
* 4 Callao Irr Co (Amend)	E008			32,000
* 5 East Bench Canal Co	E032			210,000
6 Kays Creek Irr Co (Adams Dam) Amd	C001	Grant	**	4,000
* 7 Consolidated Sevier Bridge Res Co	C023	Grant	**	3,850,000
* 8 San Juan WCD (Recapture Dam)	C026	Grant	**	2,020,000
Commitments for Dam Safety Studies			**	161,000

Total Funds Committed	\$	6,530,000
Funds Balance	\$	(4,337,000)

Projects Authorized

1 Beaver Bench Irr Co	D918		\$	280,000
2 Croydon Pipeline Co	D962			35,000
3 North Canyon Irr Co	D955			315,000
4 Marion Waterworks Co	E053			320,000
5 Deseret Irr Co	E056			432,000
6 Fountain Green Irr Co	E042			212,000
7 Porcupine Highline Canal Co	E062			85,000
* 8 Wolf Creek Water Conservancy Co	E089			611,000

Total Funds Authorized	\$	2,290,000
Remaining Funds Available	\$	(6,627,000)

* To be presented at Board Meeting

** Dam Safety Projects

BOARD OF WATER RESOURCES

Cities Water Loan Fund

Funding Status

December 20, 2002

Funds Available for Projects This FY	\$	2,297,000
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Projects Contracted This FY

1 Alpine Cove Water SSD	D930	\$	460,616	
2 Metropolitan Water Dist of Pleasant Grove City	E081		12,000	
3 Roy Water Conservancy Subdistrict	E085		19,000	
4 Centerville City	E086		<u>16,000</u>	
Total Bonds Closed				\$ 508,000
Funds Balance				<u>\$ 1,789,000</u>

Funds Committed to Projects

1 Hanna Water & Sewer District	D983	\$	1,371,000	
Total Funds Committed				\$ 1,371,000
Funds Balance				<u>\$ 418,000</u>

Projects Authorized

1 Trenton Town	L534	\$	<u>1,304,000</u>	
Total Funds Authorized				\$ 1,304,000
Remaining Funds Available				<u>\$ (886,000)</u>

* To be presented at Board Meeting

BOARD OF WATER RESOURCES
Conservation & Development Fund

Funding Status

December 20, 2002

Funds Available for Projects This FY	\$	9,124,000
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Projects Contracted/Bonds Closed This FY

1	\$	-
Total Funds Contracted/Closed	\$	-
Funds Balance	\$	9,124,000

Funds Committed to Projects

1 Price City	L540	\$	2,885,000
2 Washington County WCD	E092		75,000
3 Weber Basin WCD	E093		150,000
4 Jordan Valley WCD	E094		150,000
* 5 Midway Irr Co	E064		2,414,000
			2,414,000
Total Funds Committed		\$	5,674,000
Funds Balance		\$	3,450,000

Projects Authorized

1 Uintah WCD (Red Wash)	D730	\$	1,940,000
2 Strawberry High Line Canal Co	D976		3,187,000
3 Kanab Irr Co	D968		62,000
4 Center Creek Culinary Water Co	E020		450,000
5 Uintah WCD (Island Ditch)	E036		720,000
6 Mountain Regional Water SSD	E040		1,675,000
7 Town of Brian Head	L541		1,700,000
8 Magna Water Co an Improvement District	E068		700,000
9 New Santa Clara Field Canal Co	E069		930,000
10 Johnson Water District	E070		659,000
11 Ephraim Irr Co	E061		1,155,000
12 Centerville City	L544		1,142,000
13 Elsinore Town	L545		514,000
14 Tooele County	E080		700,000
15 Gunnison City	E088		477,000
* 16 Taylor-West Weber WID	E095		825,000
			825,000
Total Funds Authorized		\$	16,836,000
Remaining Funds Available		\$	(13,386,000)

* To be presented at Board Meeting

BOARD OF WATER RESOURCES

December 20, 2002

ADDITIONAL ACTIVE PROJECTS			Fund	Est. Board Cost	Total Cost
Authorized or Committed Projects					
1	Davis & Weber Counties Cnl Co (Ph 4)	D674	C&D	\$ 10,925,000	\$ 12,853,000
2	Carbonville Ditch Co	D887	RCF	462,000	597,000
3	Central Utah WCD (Prepay FY98,99,00)	D960	C&D	3,000,000	3,000,000
4	Washington County WCD (Ivins)	D925	C&D	1,390,000	5,100,000
5	Weber Basin WCD (Secondary Irr, Ph 2-5)	E029	C&D	28,369,000	33,375,000
6	Davis & Weber Counties Cnl Co(Cnl Rehab)	E035	C&D	18,230,000	21,447,000
7	Hooper Irr Co (Press Irr)	E060	C&D	16,575,000	19,500,000
Subtotal				\$ 78,951,000	\$ 95,872,000
Projects Under Investigation					
1	Downs Ditch Water Co	D899	RCF	\$ 7,500	\$ 10,000
2	K Ranch LLC	D954	RCF	206,250	275,000
3	Keith Johnson	D996	RCF	37,500	50,000
4	Marion Park Estates	E065	RCF	173,250	231,000
5	Mayfield Irr Co	E067	RCF	187,500	250,000
6	Rock Dam Irr Co	E083	RCF	37,500	50,000
7	Bear River Canal Co	E097	RCF	463,500	618,000
* 8	Upper Sevier River WCD	E098	RCF	1,350,000	1,800,000
9	Summit County Service Area #3	E045	CWL	414,750	553,000
10	Woodruff Irrigating Co	D680	C&D	600,000	800,000
11	Kane County WCD	D828	C&D	1,500,000	2,000,000
12	Richfield City	D898	C&D	450,000	600,000
13	Uintah WCD (Leota Bench)	D944	C&D	750,000	1,000,000
14	East Carbon City (Dam)	D969	C&D	7,500,000	10,000,000
15	Gunnison Butte Mutual Irr Co	E004	C&D	1,254,000	1,475,000
16	Town of Altamont	E012	C&D	142,500	190,000
17	City of South Jordan	E034	C&D	2,253,000	3,004,000
18	Hyrum Blacksmith Fork Irr Co	E047	C&D	2,025,000	2,700,000
19	East Juab County WCD	E071	C&D	375,000	500,000
20	New Escalante Irr Co	E077	C&D	5,625,000	7,500,000
21	Ferron Canal & Res Co	E082	C&D	-	-
22	Whiterocks Irr Co	E084	C&D	1,500,000	2,000,000
23	Richland Nonprofit Water Co	E087	C&D	750,000	1,000,000
24	Parowan City	E090	C&D	204,000	272,000
25	Logan, Hyde Park, Smithfield Canal Co	E096	C&D	1,301,250	1,735,000
* 26	City of Cedar Hills	E099	C&D	4,331,250	5,775,000
* 27	Newton Water Users Association	E100	C&D	1,001,250	1,335,000
Subtotal				\$ 34,440,000	\$ 45,723,000
TOTAL				\$ 113,391,000	\$ 141,595,000

* New Applications

BOARD OF WATER RESOURCES

December 20, 2002

Long Term Large Water Conservation Projects

1 Sanpete WCD (Narrows Dam)	D377
2 Wayne County WCD	D494
3 Cedar City Valley Water Users	D584
4 Bear River WCD	D738
5 Mapleton City	D886

BOARD OF WATER RESOURCES

Feasibility Report

Revolving Construction Fund

Appl. No.: **E-089**
Received: 8/27/02
Approved: 9/20/02

To be Presented at the December 20, 2002 Board Meeting

SPONSOR: **WOLF CREEK WATER CONSERVANCY INC.**

Vice-President: Lowell S. Peterson

LOCATION: The proposed project is located a mile north of the community of Eden, about four miles northwest of Huntsville in Weber County.

EXISTING CONDITIONS & PROBLEMS: The sponsor provides pressurized secondary irrigation water to 96 connections in the Wolf Creek area. Although most connections are residential, a local golf course is the largest water user.

The sponsor would like to expand its system into two additional subdivisions, Patio Springs and Eden Hills, which presently use culinary water for outdoor use. In addition, the developer of the Eagle Ridge subdivision was required to install a "dry" system that now needs to be connected to the existing secondary system.

PROPOSED PROJECT: The sponsor is requesting financial assistance from the board to expand its secondary irrigation system in Wolf Creek. The expansion will include construction of a new storage reservoir, dredging and lining of an existing reservoir, and installation of approximately 17,000 feet of distribution pipeline and 58 service connections. Technical assistance is being provided by Gardner Engineering in Ogden.

The project fits in Prioritization Category 2 (municipal project required to meet existing or impending need).

COST ESTIMATE: The following cost estimate is based on the engineer's preliminary design and has been reviewed by staff:

<u>Item</u>	<u>Description</u>	<u>Quantity</u>	<u>Unit Price</u>	<u>Amount</u>
1.	New Reservoir	LS	\$250,000	\$250,000
2.	Dredge & Line Exist. Reservoir	LS	45,000	45,000
3.	PVC Pipe			
a.	12-inch	3,400 LF	21.00	71,400
b.	8-inch	320 LF	15.50	4,960
c.	6-inch	6,100 LF	8.00	48,800
d.	4-inch	7,400 LF	6.50	48,100
4.	Valves & Fittings	LS	22,000	22,000
5.	Service Connection			
a.	1 1/2-inch	32 EA	600	19,200
b.	1-inch	26 EA	450	11,700
6.	Trench Material	5,200 TN	7.50	39,000
7.	Pressure Regulating Station	2 EA	18,000	36,000
8.	Street & Yard Repair	LS	60,000	60,000
Construction Cost				\$ 656,160
Contingencies				65,840
Legal and Administrative				14,000
Design and Construction Engineering				79,000
TOTAL				\$ 815,000

COST SHARING & REPAYMENT: The recommended cost sharing and repayment are:

<u>Agency</u>	<u>Cost Sharing</u>	<u>% of Total</u>
Board of Water Resources	\$ 611,000	75%
Sponsor	204,000	25
TOTAL	\$ 815,000	100%

If the board authorizes the project, it is suggested it be purchased with annual payments starting at \$25,000 and increasing to \$36,000 at 0% interest over approximately 20 years.

FINANCIAL
FEASIBILITY:

Based on the board's water service affordability guidelines, new connectors (who will pay for the project) could pay up to \$59.71 monthly for all water. An estimated cost for water, based on 60 new connections when the first payment will be due, is presented below:

	<u>Annual Cost</u>	<u>Cost/Conn/Mo</u>
Culinary Water	\$ 14,400	\$ 20.00
Operation & Maintenance	4,400	6.11
Proposed BWRe Assistance	<u>25,000</u>	<u>34.72</u>
TOTAL	\$ 43,800	\$ 60.83

Current residential users of secondary water pay \$12.50 monthly for it; the sponsor is considering adjusting that amount. The golf course pays an annual fee of \$19,745 for irrigating 111 acres.

BENEFITS:

Expansion of the existing system will provide an efficient, useable source of secondary irrigation water to an increasing number of residents in the Wolf Creek area.

PROJECT
SPONSOR:

Wolf Creek Water Conservancy, Inc., a "profit" corporation, was incorporated September 6, 1996, and is presently registered in good standing with the state Department of Commerce. It has not received financial assistance from the board in the past.

It is estimated that 58 residences (in Patio Springs, Eden Hills, and Eagle Ridge) will initially be served by the proposed project, and that ultimately 200 residences will be connected to it.

WATER RIGHTS
& SUPPLY:

The sponsor has no water rights of its own, but has 157.89 shares in Wolf Creek Irrigation Company and will turn title of those shares over to the board. The board holds title to the irrigation company's water rights through 2025 as security for a pressurized irrigation system completed in early 2001.

EASEMENTS:

Pipelines will be installed along existing streets. The storage reservoir will be located on land owned by the sponsor.

ENVIRONMENTAL: Since installation of pipelines will be on property previously disturbed by residential and road development, no impact is expected. A small area will be impacted due to construction of the reservoir.

WATER
CONSERVATION: The proposed project will provide an efficient irrigation system to residents, and significantly reduce the use of culinary water outdoors.

SPONSOR'S
RESPONSIBILITIES: If the board authorizes the proposed project, the sponsor must do the following before construction can begin:

1. Obtain all easements, rights-of-way, and permits required to construct, operate, and maintain the project.
2. Pass a resolution by the appropriate (as defined in the sponsor's Articles of Incorporation and Bylaws) majority of stock authorizing its officers to do the following:
 - a. Assign properties, easements, and water shares required for the project to the Board of Water Resources.
 - b. Enter into a contract with the Board of Water Resources for construction of the project and subsequent purchase from the Board.
3. Have an attorney give the Board of Water Resources a written legal opinion that:
 - a. The sponsor is legally incorporated for at least the term of the purchase contract and is in good standing with the state Department of Commerce.
 - b. The sponsor has legally passed the above resolution in accordance with the requirements of state law and the sponsor's Articles of Incorporation and Bylaws.
 - c. The sponsor has obtained all permits required for the project.

4. Have an attorney give the Board of Water Resources a written legal opinion that:

a. The sponsor owns all easements and rights-of-way for the project, as well as the land on which the project is located, and that title to these easements, rights-of-way, and the project itself can be legally transferred to the Board.

b. The sponsor's water shares applicable to the project are unencumbered and legally transferable to the Board of Water Resources, and that they cover the area to be served by the project.

In lieu of an attorney's opinion, the sponsor may obtain a title insurance policy in the name of the Board of Water Resources for the easements, rights-of-way, land, and water shares necessary for the project.

5. Obtain approval of final plans and specifications from the Division of Water Resources and Division of Drinking Water.

6. Prepare a water management and conservation plan for its service area, and obtain approval of it from the Division of Water Resources.

7. Adopt a rule prohibiting those it serves from irrigating residential landscapes between the hours of 10:00 a.m. and 6:00 p.m.

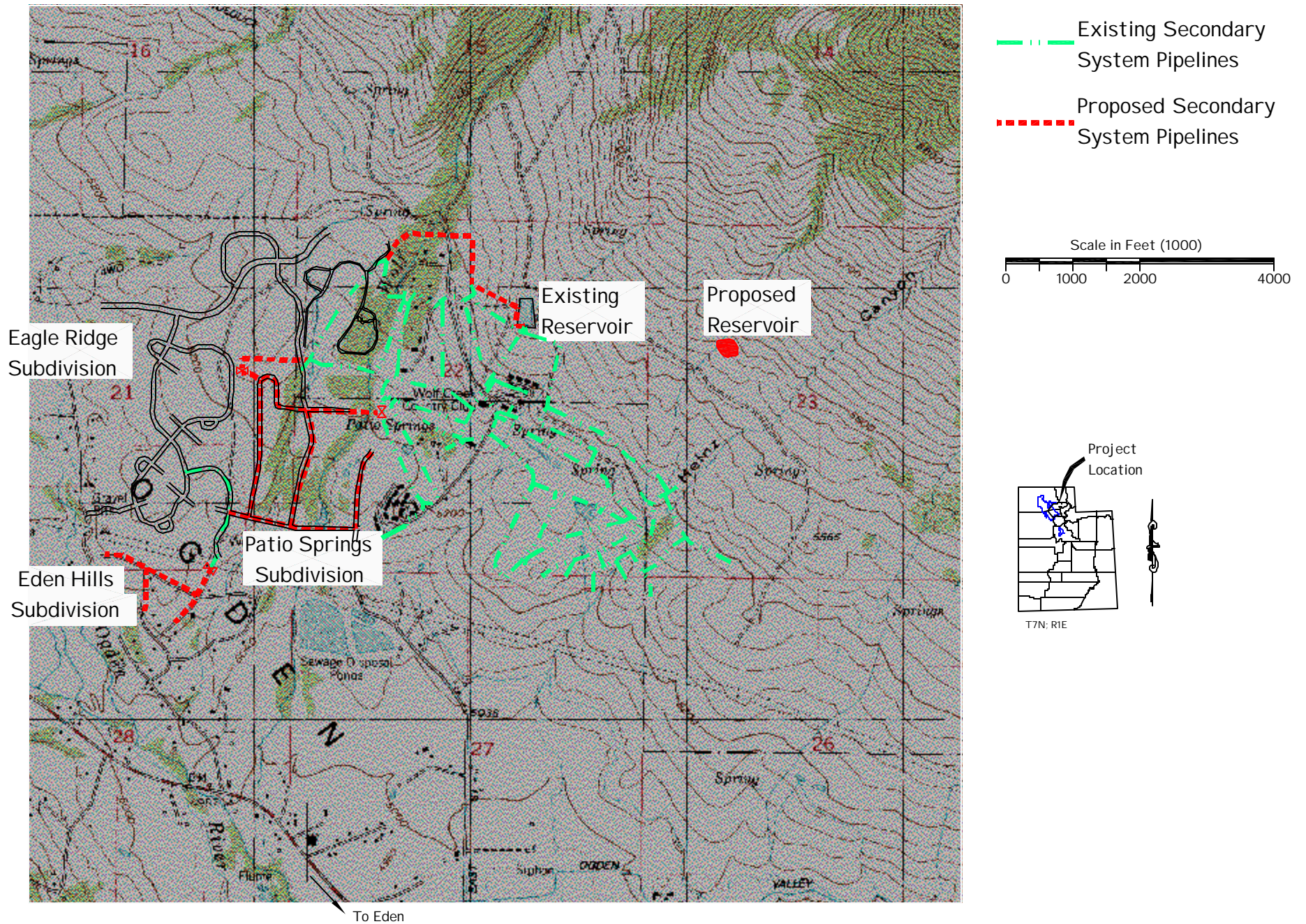
8. Adopt a progressive rate structure for the use of secondary water.

PROJECT
CONTACT
PEOPLE:

Vice-President: Lowell S. Peterson
3900 N. Wolf Creek Drive
Eden, UT 84310
Phone: (801) 745-0396

Secretary: Parley Baldwin
3900 N. Wolf Creek Drive
Eden, UT 84310

Engineer: Gardner Engineering
5875 S. Adams Ave. Parkway,
Ogden, UT 84405
Phone: (801) 476-0202



WOLF CREEK WATER CONSERVANCY, INC.
Secondary Irrigation System Expansion
Weber County

BOARD OF WATER RESOURCES

Feasibility Report

Conservation and Development Fund

Appl. No.: **E-095**
Received: 9/16/02
Approved: 11/8/02

To be Presented at the December 20, 2002 Board Meeting

SPONSOR: **TAYLOR-WEST WEBER WATER IMPROVEMENT DISTRICT**

Chairman: Val Surrage

LOCATION: The proposed project is located in the unincorporated communities of Taylor and West Weber, and portions of Hooper and West Haven cities in western Weber County.

EXISTING CONDITIONS & PROBLEMS: The district provides culinary water to approximately 1,400 connections which include two schools, three churches, and eight dairies; the service area extends from about 4000 South to 1000 North and 2700 West to 5100 West in Weber County. Although pressurized secondary irrigation systems are being installed in southern parts of the district and new developments are required to install them, most residents currently use culinary water for their irrigation needs.

The district obtains its water from two wells and from Weber Basin Water Conservancy District that provides 450 acre-feet annually. The culinary system was installed in the 1960s and includes a 250,000 gallon storage tank and a million gallon tank. The district has an ongoing program of updating distribution pipelines and has begun the process of replacing old, inaccurate water meters.

The culinary system does not have adequate storage capacity to provide for existing connections' indoor and outdoor use plus fire protection. Also, the system has been experiencing an increase of around 50 connections per year, which is expected to increase

as a regional wastewater system is installed throughout the area.

PROPOSED
PROJECT:

The district is requesting financial assistance from the board to improve its culinary water system by constructing a two million gallon concrete storage tank and booster pumping facility, installing pipeline to connect the tank to the existing system, and replacing 1,050 water meters. Technical assistance is being provided by LarWest Engineering in North Logan.

The project fits in Prioritization Category 2 (municipal project required to meet existing or impending need).

COST ESTIMATE:

The following cost estimate is based on the engineer's preliminary design and has been reviewed by staff:

<u>Item</u>	<u>Description</u>	<u>Quantity</u>	<u>Unit</u> <u>Price</u>	<u>Amount</u>
1.	2 Million Gallon Tank	LS	\$610,000	\$ 610,000
2.	Booster Pump Facility	LS	120,000	120,000
3.	Security Fence	LS	17,000	17,000
4.	12-inch PVC Pipe	700 LF	30.00	21,000
5.	Water Meter	1,050 EA	90.00	<u>94,500</u>
Construction Cost				\$ 862,500
Contingencies				86,500
Property Purchase				45,000
Legal and Administrative				16,000
Design and Construction Engineering				<u>90,000</u>
TOTAL				\$1,100,000

COST SHARING
& REPAYMENT:

The recommended cost sharing and repayment are:

<u>Agency</u>	<u>Cost Sharing</u>	<u>% of Total</u>
Board of Water Resources	\$ 825,000	75%
Sponsor	<u>275,000</u>	<u>25</u>
TOTAL	\$1,100,000	100%

If the board authorizes the project, it is suggested it be purchased in 20 years at 5% interest with

annual payments starting at approximately \$51,800 and increasing to about \$90,800.

Payments increase 3% annually to match the anticipated growth in connections.

ECONOMIC
FEASIBILITY:

Since the district's culinary water system has insufficient storage capacity and a new tank is the only alternative, a benefit/cost ratio of 1.0 is assumed.

FINANCIAL
FEASIBILITY:

Based on the board's water service affordability guidelines, area residents could pay around \$32.30 monthly for all water. The cost of culinary water with the project, based on 1,400 connections, is estimated to be as follows:

	<u>Annual Cost</u>	<u>Cost/Conn/Mo</u>
Operation & Maintenance	\$315,000	\$18.75
Proposed BWRe Assistance	<u>51,800</u>	<u>3.08</u>
TOTAL	\$366,800	\$21.83

About 25% of the existing connections have secondary water available to them provided by entities (including Weber Basin Water Conservancy District and various homeowner associations) that assess annual fees of up to \$300. Those users' total monthly water costs are well over the board's affordability amount, and total monthly costs to new connectors to the district system will also be above the guideline since they will be required to have secondary irrigation. At the end of the proposed 20-year repayment period, district connections are expected to total about 2,500, at least 58% of which will have secondary service.

With advice and input from staff's economist, the district recently raised its water rates to the following: Base rate of \$10.00 for the first 10,000 gallons, \$1.35 per thousand gallons for the next 20,000 gallons, \$1.75 per thousand for 31,000 to 100,000, and \$2.00 per thousand above that.

BENEFITS:

Construction of the new tank will assure adequate storage for existing and future connections.

Replacing water meters will enable the district to accurately monitor water use and bill users accordingly.

PROJECT SPONSOR: Taylor-West Weber Water Improvement District was established in the early 1960s, currently provides culinary water to approximately 1,400 connections, and is growing about 3.5% annually. The Governor's Office of Planning and Budget projects average annual growth in the unincorporated areas of Weber County to be just over 3% through 2020.

The district has not received financial assistance from the board in the past.

WATER RIGHTS & SUPPLY: The district has underground water right #35-1613 for 2 cfs (equivalent to a maximum yearly volume of about 1,450 acre-feet), and also purchases 450 acre-feet annually from Weber Basin Water Conservancy District.

EASEMENTS: The district has purchased the tank and booster pump facility site.

ENVIRONMENTAL: No long-term environmental impact is foreseen.

WATER CONSERVATION: The district has recently put into place increasing water rate overage charges, as well as a prohibition on outside watering during the day. It is currently working on a water management and conservation plan.

SPONSOR'S RESPONSIBILITIES: If the board authorizes the proposed project, the district must do the following before construction can begin:

1. Obtain all easements, rights-of-way, and permits required to construct, operate, and maintain the project.

2. Pass a resolution by the appropriate (as defined in the district's charter) majority of governing officials authorizing the following:

- a. Assign properties, easements, and water rights required for the project to the Board of Water Resources.

- b. Enter into a contract with the Board of Water Resources for construction of the project and subsequent purchase from the Board.
- 3. Have an attorney give the Board of Water Resources a written legal opinion that:
 - a. The district is legally formed for at least the term of the purchase contract.
 - b. The district has legally passed the above resolution in accordance with the requirements of state law and the district's charter.
 - c. The district has obtained all permits required for the project.
- 4. Have an attorney give the Board of Water Resources a written legal opinion that:
 - a. The district owns all easements and rights-of-way for the project, as well as the land on which the project is located, and that title to these easements, rights-of-way, and the project itself can be legally transferred to the Board.
 - b. The district's water rights applicable to the project are unencumbered and legally transferable to the Board of Water Resources, and that they cover the area to be served by the project.

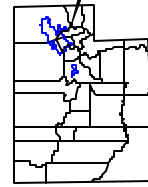
In lieu of an attorney's opinion, the district may obtain a title insurance policy in the name of the Board of Water Resources for the easements, rights-of-way, land, and water rights necessary for the project.

- 5. Obtain approval of final plans and specifications from the Division of Water Resources and Division of Drinking Water.
- 6. Prepare a water management and conservation plan for its service area, and obtain approval of it from the Division of Water Resources.

PROJECT	Chairman:	Val Surrage
CONTACT		4660 West 1150 South
PEOPLE:		Ogden, UT 84404
		Phone: (801) 731-1668
	V-Chair/Treasurer:	Dick Gibson
		4660 West 1150 South
		Ogden, UT 84404
		Phone: (801) 731-1668
	Engineer:	LarWest Engineering
		1770 N. Research Park Way,
		#130
		North Logan, UT 84341
		Phone: (435) 753-0153

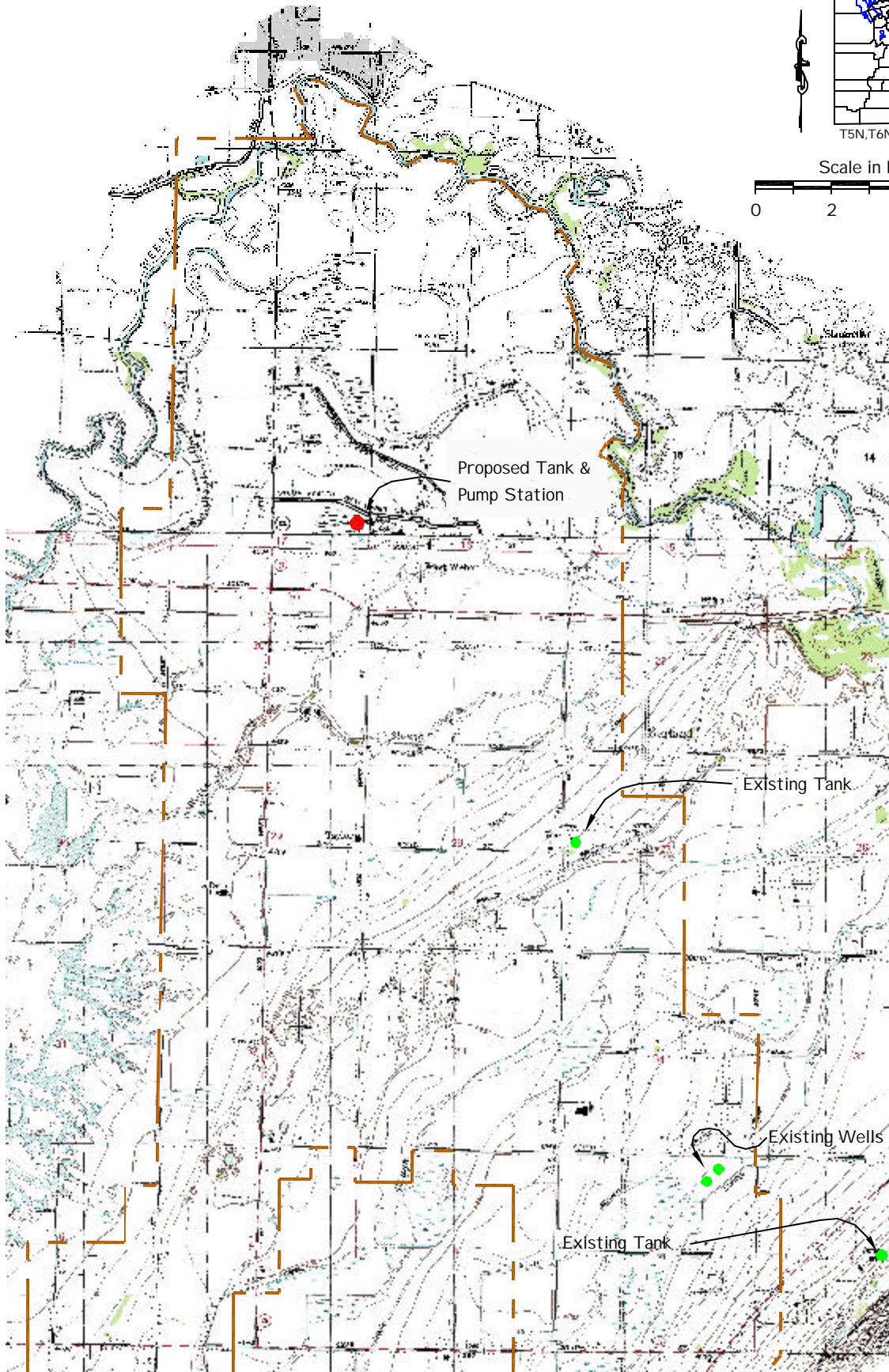
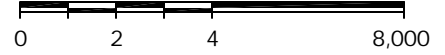
TAYLOR - WEST WEBER W.I.D.
Proposed Water Storage Tank
Weber County

Project
Location



T5N, T6N: R2W

Scale in Feet (1000)



BOARD OF WATER RESOURCES

Committal of Funds

Cities Water Loan Fund

Appl. No.: **D-983**
Received: 7/13/98
Approved: 7/17/98
Authorized: 10/30/98
Reauthorized: 4/19/02

To be Presented at the December 20, 2002 Board Meeting

SPONSOR: **HANNA WATER & SEWER DISTRICT**

Chairman: Mac Reber
P.O. Box 465
Tabiona, UT 84072
Phone: (435) 848-5610

LOCATION: The proposed project is located in and around Hanna and Tabiona, about 24 miles northwest of Duchesne in Duchesne County.

PROJECT SUMMARY: The district is requesting financial assistance from the board to install a culinary water system for Hanna and Tabiona consisting of the drilling and equipping of a deep well, construction of a 650,000 gallon tank, and installation of about 23 miles of transmission and distribution pipeline, fire hydrants, service connections, and appurtenances.

COST ESTIMATE & SHARING: The proposed cost estimate and sharing remain the same as reauthorized:

<u>Agency</u>	<u>Cost Sharing</u>	<u>% of Total</u>
Board of Water Resources	\$1,371,000	29.8%
RECD Loan	373,000	8.1
RECD Grant	1,107,000	24.1
CIB Loan	735,000	16.0
CIB Grant	735,000	16.0
Sponsor	<u>276,000</u>	<u>6.0</u>
TOTAL	\$4,597,000	100%

REPAYMENT: If the board commits funds to the project, it is proposed the repayment terms remain as authorized: the bonded indebtedness of \$1,371,000 will be repaid in 25 years at 0% interest with annual payments ranging from approximately \$50,000 to \$64,000.

STAFF COMMENTS: The sponsor's access to any funds committed to its project is subject to availability of funds at the time a bond is to be sold to the board.

BOARD OF WATER RESOURCES

Committal of Funds

Revolving Construction Fund

Appl. No.: **E-032**
Received: 5/12/00
Approved: 6/16/00
Authorized: 6/16/00

To be Presented at the December 20, 2002 Board Meeting

SPONSOR: **EAST BENCH CANAL COMPANY**

President: Fred Vincent
2247 Fairway Drive
Spanish Fork, UT 84660
Phone: (801) 798-6834

LOCATION: The proposed project is located on the east side of Spanish Fork City in Utah County, just below the mouth of Spanish Fork Canyon.

PROJECT SUMMARY: The sponsor is requesting financial assistance from the board to replace 2,150 feet of its earthen, five-mile long irrigation water transmission canal with a rectangular concrete box conduit. Homes have been built at the bottom of the hillside below the canal, the toe of the slope was altered by the developer, and there is concern the canal will fail if filled to capacity.

The project authorized by the board consists of 2,150 feet of 60-inch plastic pipe to be installed in the original canal easement. It has since been determined, however, that the alignment will need to be moved into the adjacent state highway right-of-way. Since the 60-inch plastic pipe does not meet highway standards, the proposed concrete box conduit is required.

COST ESTIMATE & SHARING: Although the current project cost estimate exceeds that authorized due to the change from plastic pipe to concrete conduit, the amount requested from the

board has decreased due to the sponsor's procurement of additional funds from other sources. The authorized and proposed cost sharing are:

<u>Agency</u>	<u>Authorized Cost Sharing</u>	<u>% of Total</u>	<u>Proposed Cost Sharing</u>	<u>% of Total</u>
BWRe	\$256,000	85%	\$210,000	52.5%
Sponsor	<u>45,000</u>	<u>15</u>	<u>190,000</u>	<u>47.5</u>
TOTAL	\$301,000	100%	\$400,000	100%

PURCHASE
AGREEMENT:

The purchase agreement authorized by the board requires the project to be purchased in about 19 years at 0% interest with annual payments beginning at \$10,000, then increasing to \$14,000 in the year 2003. If the board commits funds to the project, it is proposed the \$210,000 be returned in about 15 years at 0% interest with annual payments of \$14,000.

STAFF COMMENTS:

The sponsor's access to any funds committed to its project is subject to availability of funds at the time a contract is to be signed with the board.

BOARD OF WATER RESOURCES

Committal of Funds

Conservation and Development Fund

Appl. No.: **E-064**
Received: 1/27/97
Approved: 1/31/97
Authorized: 1/25/02

To be Presented at the December 20, 2002 Board Meeting

SPONSOR: **MIDWAY IRRIGATION COMPANY**

President: Steve Farrell
325 West 500 South
Midway, UT 84049
Phone: (435) 654-0513

LOCATION: The proposed project is located north and east of Midway City, about three miles west of Heber in Wasatch County.

PROJECT SUMMARY: In June, 1997, the sponsor appeared before the board to request financial assistance to help install pressurized irrigation projects eventually serving about 3,500 acres. Phase I, which was authorized and committed separately, is complete, and about \$200,000 remains of the board's \$5.355 million (85% of total cost).

The sponsor now requests financial assistance from the board to construct Phase II, which is the final phase, of its pressurized irrigation project by installing about 34,000 feet of 24 to 42-inch transmission pipeline, and constructing a 40 acre-foot regulating reservoir. Water will be transported from a diversion on the Provo River to the new reservoir, then sent to the main pressurized agricultural irrigation system south of Midway, and/or pumped to Phase I's regulating reservoir.

COST ESTIMATE
& SHARING:

The proposed cost estimate and sharing for Phase II remain the same as authorized:

<u>Agency</u>	<u>Cost Sharing</u>	<u>% of Total</u>
Board of Water Resources	\$2,414,000	71%
Sponsor	<u>986,000</u>	<u>29</u>
TOTAL	\$3,400,000	100%

Upon signing of the board/sponsor agreement, approximately \$350,000 can be released to the sponsor based on the board's current availability of funds; the remaining \$2,064,000 will be available for release at some future date to be determined by staff.

PURCHASE
AGREEMENT:

The purchase agreement authorized by the board requires the \$2,414,000 to be returned in 19 years at 2% interest with annual payments ranging from \$120,000 to about \$199,000. If the board commits funds to the project it is proposed an agreement with the sponsor be executed making \$350,000 available immediately and that it be returned in 19 years at 2% interest with annual payments as follows:

<u>Payment No.</u>	<u>Amount</u>
1	\$17,000
2	18,000
3	19,000
4	19,000
5	20,000
6	20,000
7	21,000
8	21,000
9	22,000
10	23,000
11	23,000
12	24,000
13	25,000
14	26,000
15	26,000
16	27,000
17	28,000
18	29,000
19	23,000±

When the remaining \$2,064,000 becomes available and is needed by the sponsor, the agreement will be

amended to reflect the authorized purchase agreement for the full \$2,414,000.

STAFF COMMENTS: Combining the board's \$350,000 with the \$200,000 remaining from Phase I, plus the sponsor's Phase II cost sharing, will allow the most critical portion of Phase II to be constructed now.

The sponsor's access to any funds committed to Phase II of its project is subject to availability of funds at the time a contract is to be signed with the board.

BOARD OF WATER RESOURCES

Dam Safety Report

Construction Funding

Appl. No.: **C-026**

To be Presented at the December 20, 2002 Board Meeting

SPONSOR: **SAN JUAN WATER CONSERVANCY DISTRICT**

Chairman: Ferd Johnson

LOCATION: Recapture Dam is located about a mile north of Blanding in San Juan County.

SUMMARY: Recapture Dam construction was completed in 1984. The reservoir has a capacity of 8,480 acre-feet, which includes a conservation pool of 2,500 acre-feet. The sponsor is now requesting financial assistance from the board to upgrade the dam to meet current state dam safety standards. There has been a small amount of movement at depth of a landslide in the right abutment of the dam, which has raised a question as to the stability of the embankment and U.S. Highway 191, which traverses the crest of the dam.

A downstream berm will be constructed to stabilize the embankment and the emergency spillway channel will be replaced. The Utah Department of Transportation (UDOT) will provide fill material for the berm from its Devil's Canyon project six miles north of the dam. Technical assistance is being provided by the Division of Water Resources.

COST ESTIMATE: The estimated cost of the upgrade is \$4,570,000.

COST SHARING: Staff recommends the following cost sharing:

Agency	Cost Sharing	% of Total
BWRe - Grant	\$2,020,000	44%
UDOT	2,550,000	56
TOTAL	\$4,570,000	100%

PROJECT The sponsor distributes approximately 2,400 acre-
SPONSOR: feet annually for irrigation, culinary, and
 industrial uses. It received assistance from the
 board in the early to mid-1980s for construction of
 Recapture Dam and Monticello Dam (Loyd's Lake). It
 received dam safety funding from the board in 1996
 for Monticello Dam upgrades.

STAFF COMMENTS: The sponsor's access to any board grant funds is
 subject to availability of funds at the time a
 contract is to be signed with the board.

PROJECT	Chairman:	Ferd Johnson
CONTACT		P.O. Box 457
PEOPLE:		Blanding, UT 84511
		Phone: (435) 678-2596
	Manager:	Francis "Bud" Nielson
		P.O. Box 246
		Blanding, UT 84511
		Phone: (435) 678-2596
	Engineer:	Bill Leeftang
		Division of Water Resources
		1594 W. North Temple
		Salt Lake City, UT 84116
		Phone: (801) 538-7293

BOARD OF WATER RESOURCES

Dam Safety Report

Construction Funding

Appl. No.: **C-023**

To be Presented at the December 20, 2002 Board Meeting

SPONSOR: **CONSOLIDATED SEVIER BRIDGE RESERVOIR CO.**

President: Clyde Bunker

LOCATION: Sevier Bridge Dam is located about 25 miles south of Nephi in Juab County.

SUMMARY: Sevier Bridge Dam was completed in 1908 and enlarged in 1916, making the reservoir capacity over 236,000 acre-feet. The sponsor is now requesting financial assistance from the board to upgrade the dam to meet current state dam safety standards. The dam embankment will be unstable during an earthquake due to liquefiable (reduced strength when shaken) foundation materials, the upstream face of the dam needs riprap, and the outlet works, spillway, and drainage system are all inadequate. The work will be accomplished in phases:

<u>Phase</u>	<u>Description</u>	<u>Cost</u>
I	Construct Stability Berm, Place Riprap, Install Guard Gate, Rehabilitate Control Gate	\$ 5,000,000
II	Spillway & Toe Drain	<u>5,500,000</u>
TOTAL		<u>\$10,500,000</u>

Technical assistance is being provided by Bowen, Collins & Associates in Salt Lake City.

COST SHARING: Because the Phase I work is most crucial from a safety standpoint, and considering availability of funds, staff recommends the board commit funds at this time for only the first phase, including engineering:

<u>Agency</u>	<u>Cost Sharing</u>	<u>% of Total</u>
BWRe - Grant	\$4,500,000	90%
Sponsor	<u>500,000</u>	<u>10</u>
TOTAL	\$5,000,000	100%

PROJECT SPONSOR: Consolidated Sevier Bridge Reservoir Company is comprised of five separate irrigation companies with a total of 640 stockholders, approximately 400 of whom own most of the shares and irrigate about 50,000 acres. The sponsor received grant money from the board in 1993 for the dam safety studies of Sevier Bridge Dam.

SPONSOR'S RESPONSIBILITIES: The sponsor must obtain approval of final plans and specifications from the Divisions of Water Resources and Water Rights before state funds become available.

STAFF COMMENTS: The sponsor's access to any board grant funds is subject to availability of funds at the time a contract is to be signed with the board.

PROJECT CONTACT PEOPLE:	President:	Clyde Bunker 800 W 100 N Delta, UT 84624 Phone:(435)864-2494
	Engineer:	Bowen, Collins & Associates 756 East 12200 South Draper, UT 84020 Phone: (801)495-2224

BOARD OF WATER RESOURCES

Special Item

Contract Amendment - Additional Funds

Revolving Construction Fund

Appl. No.: **E-008**
Received: 4/9/99
Approved: 4/30/99
Authorized: 10/29/99
Committed: 3/14/02

To be Presented at the December 20, 2002 Board Meeting

SPONSOR: **CALLAO IRRIGATION COMPANY**

Secretary: Don Anderson
SR 290
Callao, UT 84083
Phone: (435)693-3136

LOCATION: The project is located in and around the community of Callao, about 100 miles west of Nephi in Juab County.

PROJECT SUMMARY: The sponsor is constructing a 600 acre agricultural pressurized irrigation system consisting of a well, a regulating pond, and approximately 12,000 feet of pipe. Only drilling and equipping the well remain for the system to be complete.

COSTS & COST SHARING: The original cost estimate for the well was based on using some equipment from an abandoned well; that equipment has turned out to be unsuitable for use at the new well site, however. Also, current well drilling costs are higher than previously estimated.

The sponsor requests additional funds from the board to help cover the increased costs and complete the project.

The committed and proposed cost sharing are:

<u>Agency</u>	<u>Committed Cost Sharing</u>	<u>Proposed Cost Sharing</u>	<u>% of Total</u>
BWRe	\$ 184,000	\$ 216,000	80%
Sponsor	<u>46,000</u>	<u>54,000</u>	<u>20</u>
TOTAL	\$ 230,000	\$ 270,000	100%

PURCHASE
AGREEMENT:

The sponsor's current agreement with the board states the \$184,000 will be returned with annual payments of \$9,600 at 0% interest over approximately 20 years. If the board commits additional funds to the project, staff recommends the agreement be amended to provide an additional \$32,000 and to state the sponsor will return the \$216,000 with annual payments of \$9,600 at 0% interest over approximately 23 years.

STAFF COMMENTS:

The sponsor's access to any additional funds committed to its project is subject to availability of funds at the time a contract amendment is to be signed with the board.

BOARD OF WATER RESOURCES

Special Item

Withdrawal

Revolving Construction Fund

Appl. No.: **E-021**
Received: 11/22/99
Approved: 12/10/99

To be Presented at the December 20, 2002 Board Meeting

SPONSOR: ***BILLY BETHERS SPRING, CULINARY, & DOMESTIC
WATER SUPPLY COMPANY***

President: Ross Bethers
P.O. Box 434
Heber City, UT 84032
Phone: (435) 654-5214

LOCATION: The proposed project is located in Daniels, a small community about three miles southeast of Heber City in Wasatch County.

SUMMARY: The sponsor requested financial assistance from the board to improve its culinary water system by building a 150,000 gallon storage tank, renovating a spring overflow structure, installing a pump station to get water from the spring to the tank, adding a chlorination facility, and installing about 6,000 feet of distribution pipeline with fire hydrants.

The sponsor's service area lies next to that of the Daniel Domestic Water Company. In September, 2002, Daniel Domestic received a loan and grant from the Drinking Water Board, with the understanding it would incorporate the Billy Bethers Company into its system. With this union the sponsor has no need of financial assistance from the board, so staff recommends the application be withdrawn from further consideration.

BOARD OF WATER RESOURCES

Application Summary

Appl. No. **E-098**

Received: 11/8/02

SPONSOR: **UPPER SEVIER RIVER WATER CONSERVANCY DISTRICT**

President: Chris Fullmer
P.O. Box 77
Panguitch, UT 84759
Phone:

LOCATION: Three of the proposed projects are located several miles north of Panguitch City, and the other just north of Bryce Canyon National Park, all in Garfield County.

PROPOSED PROJECT: The district is sponsoring four irrigation projects:

- ♣ Tropic & East Fork Diversion Canal near Bryce Canyon: Rehabilitate diversion system
- ♣ West Panguitch Irrigation Canal: Replace three miles of canal with pipeline
- ♣ Barton, Lefevre, and Tebbs Canal: Replace two miles of canal with pipeline
- ♣ McEwan Canal: Replace two miles of canal with pipeline

WATER RIGHTS: Each of the four canal companies' water rights are described in the Cox Decree.

COST ESTIMATE: \$1,800,000

BOARD OF WATER RESOURCES

Application Summary

Appl. No. **E-099**

Received: 11/13/02

SPONSOR: **CITY OF CEDAR HILLS**

Mayor: Brad Sears
3925 W. Cedar Hills Dr.
Cedar Hills, UT 84062
Phone: (801) 785-9668

LOCATION: Cedar Hills is located about three miles north of Pleasant Grove in Utah County.

PROPOSED PROJECT: The city is requesting assistance to install a city-wide pressurized secondary irrigation system.

WATER RIGHTS: ♦ 55-625, 712, 721, 9323, 9499, 9500, 9508, and 9509: 2,068 acre-feet
♦ Central Utah Project water: 710 acre-feet
♦ Pleasant Grove Irrigation Company shares: 746 acre-feet

COST ESTIMATE: \$5,775,000

BOARD OF WATER RESOURCES

Application Summary

Appl. No. ***E-100***

Received: 12/10/02

SPONSOR: ***NEWTON WATER USERS ASSOCIATION***

President: Joseph Larsen
5397 West 7200 North
Newton, UT 84327
Phone: (435) 563-5667

LOCATION: The proposed project is located north of the town of Newton, which is about 12 miles northwest of Logan in Cache County.

PROPOSED PROJECT: The sponsor is requesting assistance to replace, with five miles of plastic pipeline, a deteriorated concrete-lined irrigation canal carrying water from Newton Reservoir to farmers' fields.

WATER RIGHTS: Rights 25-3082 and 25-3515 are owned by the Bureau of Reclamation.

COST ESTIMATE: \$1,335,000

Unapproved
MINUTES

BOARD OF WATER RESOURCES
BRIEFING MEETING

November 8, 2002

Room 314, Department of Natural Resources
Salt Lake City, Utah

BOARD OF WATER RESOURCES

Briefing Meeting
November 8, 2002

The Board of Water Resources held a briefing meeting on November 8, 2002 at 10:00 a.m. in Room 314 at the Department of Natural Resources Building in Salt Lake City, Utah.

The following people were in attendance:

BOARD MEMBERS

Paul Riley
Lucille Taylor
Cleal Bradford
Ivan Flint
Brad Hancock
Harold Shirley

Board Members Not in Attendance

Warren Peterson
Bill Marcovecchio

STAFF MEMBERS

Larry Anderson
Dennis Strong
Eric Millis
Nancy Fullmer
Steve Wilde
Todd Adams
Eric Klotz

VISITORS

Sherm Hoskins

Vice Chair Paul Riley called the meeting to order and excused Warren Peterson and Bill Marcovecchio.

Mr. Riley talked about the Bear Lake Symposium he attended on November 7 in Garden City. He said it was a technical presentation by the U.S. Geological Survey on the history of Bear Lake.

Sherm Hoskins gave the Board members a copy of the "Handbook for Members of Utah State Boards and Commissions" that was prepared by the Governor's office. He also handed out copies of the organization charts for the Department of Natural Resources and Division of Water Resources and a copy of the Governor's 1000-Day Economic Plan. He encouraged the Board members to read the information to gain a better understanding of their roles and to review some of the topics in future Board briefing meetings. Mr. Hoskins thanked the Board members for their dedication and efforts to serve on the Board of Water Resources.

Discussion of Staff Activities

Director Larry Anderson handed out a report entitled "Draft Green River Pipeline Cost Analysis", and said it was prepared by staff at the Division of Water Resources. He also gave the Board members a copy of a letter he sent to the Wyoming State Engineer informing him about the proposed project and offering to discuss the report with him and his staff. Mr. Anderson thanked Todd Stonely for compiling the report and acknowledged his recent promotion as Chief of River Basin Planning.

Director Anderson showed a power point presentation of the proposed Green River pipeline project and discussed some of the areas that will require further study. He said the report will probably be put on the publications shelf and the preliminary information will be made available to whoever wants to see it.

Mr. Anderson also talked about a recent meeting between Jerry Olds, Norman Johnson and himself and representatives of the Navajo Indian Tribe regarding their reserved water rights.

Dennis Strong talked about the construction funds and the budget cuts. He said the Governor's office will not include restoring the sales tax funds in their budget recommendations. They will suggest the funds be taken again because of the budget deficit. The legislators do not agree with the Governor's recommendation but everyone has to participate in balancing the budget. Mr. Strong said Warren Peterson will report on the task force meetings during the Board meeting. Director Anderson said Chair Peterson served on the subcommittee that reviewed ten proposed alternatives.

Discussion of Projects

Steve Wilde explained the request from Tooele County for financial assistance to drill and equip a culinary water well near Grantsville and tie it into the Deseret Peak Complex, which is a recreational facility near Tooele City. The complex had received culinary water from Tooele City since 1999, but the city's ability to supply water has been affected by rapid growth and

drought. The proposed system will tie into the Grantsville City culinary system and provide the city with additional storage and fire protection. Tooele County has negotiated a contract with Grantsville City for operation and maintenance of the project.

Mr. Wilde said Gunnison City is requesting financial assistance to make improvements to its pressurized secondary irrigation system that was built in the 1980's with financial assistance from the Board. The city is receiving a grant from the Central Utah Water Conservancy District's Section 206 funds since they did not receive water from the Central Utah Project. There was a discussion about the city's water rates. Director Anderson said the city will be required to prepare an adequate Water Management and Conservation Plan, and staff will require they adopt a progressive water rate structure.

Dennis Strong said the Fremont Waterworks Company will request the amount authorized by the Board and not the increased amount shown in the committal of funds report since the bids came in lower than the engineer's estimate.

Director Anderson said the Board received several requests for contract amendments and payment deferrals. Staff recommends the Board approve all of the requests. Mr. Wilde said the Board may receive more requests from sponsors who cannot make their payments. The bills were sent the middle of October. The Board members asked if all of the sponsors knew they could request payment deferrals. Staff said they have not advertised.

Other Items

Director Anderson asked if the Board members wanted to hold the December briefing meeting on Thursday afternoon before the Board meeting or early on Friday morning. It was decided to hold the briefing meeting about 8:00 a.m. on December 20 and the Board meeting will begin about 10:00 a.m. and conclude by about noon since the Christmas Party begins at 1:00 p.m. The subcommittee comprised of Paul Riley, Lucille Taylor, Brad Hancock and Ivan Flint will meet on Thursday at 3:00 p.m. to discuss the issue of purchasing bond insurance.

The Board members were given a revised schedule for the 2003 Board of Water Resources meetings since the Water Users Workshop meetings were changed from March 4 and 5 to March 18 and 19. The Board members said they wanted to hold their March meeting in conjunction with the Water Users Workshop in St. George. The Board members said they felt the Board tours were beneficial and suggested adding additional tours to the schedule. Director Anderson said tours could be added to the meetings scheduled in Salt Lake.

There was a discussion about reappointments of the four Board members who have served two terms. Director Anderson said he has not been told if Warren Peterson, Cleal Bradford, Lucille Taylor or Harold Shirley will be replaced next year. Sherm Hoskins said the Board's handbook that he reviewed recommends Board members only serve two terms.

The meeting adjourned about 12:30 p.m. for lunch.

Unapproved
MINUTES
BOARD OF WATER RESOURCES MEETING
November 8, 2002

Auditorium
Department of Natural Resources
1594 West North Temple
Salt Lake City, Utah

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Attachment – Revised Board Meeting Schedule

SUMMARY OF BOARD ACTIONS

1. The Minutes of the September 19 and 20, 2002 Board meetings were approved with suggested changes. page 1
2. The Board authorized the Tooele County project and agreed to participate in an interest rate buydown. The market loan will be repaid in 17 years at 5% interest and the \$700,000 (35%) bonded indebtedness will be repaid concurrently at 1% interest. The end interest rate will be 3% with a blend. page 1
3. The Gunnison City project was authorized in the amount of \$477,000 (37%) to be repaid in 21 years at 1% interest with annual payments ranging from approximately \$16,000 to \$64,600. page 2
4. Funds were committed to the Fremont Waterworks Company in the amount of \$150,000 (19%) to be purchased at 0% interest with annual payments of \$1,000 the first 11 years and \$2,000 to approximately \$28,000 the next 13 years. page 3
5. The contracts for the Carlisle Water Company (#D600 and #815) were amended and the December 1, 2002 payments were deferred for one year (December 1, 2003). page 3
6. The Blanding Irrigation Company contracts (#D618 and #D759) were amended and the December 1, 2002 payments were deferred for one year (December 1, 2003). page 3
7. The contracts for the Enterprise Reservoir and Canal Company were amended (#K203 and #N236) and the March 1, 2003 payments were deferred for one year (March 1, 2004). On project #N236 the interest will not accrue from March 1, 2003 until February 29, 2004. page 4
8. The contract for the New Escalante Irrigation Company will be amended and the interest portion (\$24,328) of the \$83,000 total payment due March 1, 2003, will be forgiven. page 4
9. The Board withdrew the Payson City application from further consideration. page 4
10. The Board approved the revised 2003 Board Meeting Schedule. page 4

THOSE PRESENT

The Utah BOARD OF WATER RESOURCES met in regular session on Friday, November 8, 2002, in the Auditorium of the Department of Natural Resources Building 1594 West, Salt Lake City, Utah. Chair Warren Peterson presided over the 1 p.m. meeting.

BOARD MEMBERS PRESENT:

Warren Peterson
Paul Riley
Brad Hancock
Lucille Taylor
Cleal Bradford
Harold Shirley
Ivan Flint
Bill Marcovecchio was absent

STAFF MEMBERS PRESENT:

Larry Anderson, Director
Dennis Strong, Deputy Director
Eric Millis, Asst. Director
Nancy Fullmer, Administrative Secretary
Steve Wilde, Chief, Investigations
Todd Adams, Chief, Hydrology & Computer Applications
Dave Cole, Senior Engineer
Tom Cox, Engineer
Gina Hirst, Engineer
Tim Heyrend, Engineer
Quinnette Blatter, Engineer
Russell Barrus, Engineer
Justin Johnson, GIS Intern
Geralee Murdock, Executive Secretary

OTHERS PRESENT:

Sherm Hoskins, Deputy Director, Department of Natural Resources
Brad Nelson, Civil Engineer, Weber Basin Water Conservancy District

Teryl Hunsaker, Tooele County Commissioner
Dennis Rockwell, Tooele County Commission Chairman
Gene White, Tooele County Commissioner
Raymond Johnson, Tooele County Engineer

OTHERS PRESENT CONT'D:

Mike Jensen, Tooele County Auditor
Ben White, Design Engineer, Forsgren Associates
Alex Buxton, Asst. V.P., Zions Public Finance

Rodney Taylor, Gunnison City Councilman
Donald Childs, Supervisor, Gunnison City
Linda Day, Engineer, Franson-Moble Engineers

Shane Johnson, Field Representative, Redmond Irrigation and Buildings

MINUTES OF THE
BOARD OF WATER RESOURCES MEETING
November 8, 2002

Vice-chair Paul Riley called the meeting to order and welcomed everyone as Chairman Peterson had been detained.

APPROVAL OF MINUTES

Cleal Bradford made the motion to approve the minutes of the September 19 and 20, 2002 Board meetings with suggested changes by Lucille Taylor. Ivan Flint seconded the motion and the Board agreed.

FEASIBILITY REPORTS

#E080 Tooele County

Paul Riley introduced Teryl Hunsaker, Gene White, Raymond Johnson, Dennis Rockwell, Ben White, Mike Jensen and Alex Buxton. Val Anderson reported Tooele City has supplied indoor and outdoor culinary water to the Deseret Peak Complex (recreational facility) located about halfway between Tooele and Grantsville in Tooele County. The city's ability to supply water has been affected by rapid residential growth and by drought, and the water level in all city wells has steadily declined. Tooele City restricted the complex's water use to indoors and the swimming pool only.

The county installed a temporary, aboveground transmission pipeline supplied by an irrigation well owned and located on the Tooele Army Depot to keep outdoor water flowing to the complex. The well can only be used this year, because it is next to a contaminated plume of underground water and prolonged pumping may spread the plume.

The county is requesting financial assistance to drill and equip a culinary water well near Grantsville, and tie it into the complex with about 5 ½ miles of 18inch PVC transmission pipeline. The proposed system will tie into the Grantsville City culinary system, providing it additional storage and fire protection. Forsgren and Associates will prepare plans and specifications and provide construction engineering. The cost is estimated at \$2 million and it is suggested the Board participate in an interest rate buydown.

Teryl Hunsaker said they were at the Board's mercy and would like to see the project in place with the Board's assistance. Mr. Hunsaker said they needed the well in place by April or they would lose about 600 trees.

After discussion, Harold Shirley made the motion to authorize the Tooele County project and participate in an interest rate buydown. The market loan would be repaid in 17 years at 5% interest and the \$700,000 (35%) bonded indebtedness to the Board would be repaid concurrently

in 17 years at 1% interest. Cleal Bradford seconded the motion. Chairman Peterson previously joined the meeting and suggested the motion state the end interest rate be 3% with a blend. Mr. Shirley concurred. The Board agreed.

#E088 Gunnison City

Chair Peterson introduced Rodney Taylor, Donald Childs, and Linda Day from Franson and Noble Engineering. Gina Hirst reported Gunnison City supplies culinary water to about 641 connections, most of which are connected to a pressurized secondary irrigation system built in the mid-1980s. At that time the city purchased 600 shares in Gunnison Irrigation Company for water use in the secondary system. The city recently purchased an additional 60 shares of water to meet increased demand, but the pipeline infrastructure has capacity for only the original 600 shares.

Water for the system is diverted from the San Pitch River into the Highland Canal, and then travels to a regulating pond whose original 30 acre-foot capacity has been significantly reduced by sedimentation. Leaving the pond are two 21-inch PVC transmission pipelines which provide inadequate pressure and capacity for the areas served. With the current pressure and capacity problems of the system, the city cannot support any additional connections.

The city is requesting financial assistance to make improvements to its pressurized secondary irrigation system by installing additional PVC pipelines, constructing a new 17 acre-foot regulating pond, and purchasing additional water shares. The cost of the project is estimated at \$1.287 million. The Central Utah Water Conservancy District will supply \$650,000 through Section 206 funds.

Based upon the Board's water service affordability guidelines, Gunnison residents could pay up to \$31.56 monthly for all water. With the proposed project in place the cost per connection per month will be \$39.16. Their current culinary rates are \$13.50 for the first 15,000 gallons monthly and \$.90 per thousand gallons above that; the city also collects \$9.00 per share annually for the secondary water. The city has received assistance from the Board in the past, which will be repaid in 2012.

Mr. Taylor thanked the Board for its consideration and also Gina Hirst for her efforts. He said they want to protect their valuable culinary water. At the present time there are 100 acres of ground that cannot be developed or sold as residential lots because of a lack of secondary water. The proposed project would provide the secondary source.

After considerable discussion regarding water rates, Cleal Bradford made the motion to authorize the Gunnison City project in the amount of \$477,000 (37%) to be repaid in 21 years at 1% interest with annual payments ranging from approximately \$16,000 to \$64,600. Lucille Taylor seconded the motion, and it was agreed upon by the Board.

COMMITTAL OF FUNDS

#E057 Fremont Waterworks Company

Gina Hirst stated the company is requesting financial assistance to improve its culinary water system by installing 8-inch PVC transmission pipeline parallel to an existing 4-inch asbestos-cement line, replacing 4-inch and smaller asbestos-cement distribution pipelines with 8-inch PVC, and installing fire hydrants. The estimated cost of the project is \$800,000. Rural Development is providing \$600,000 in the form of a grant and loan.

Harold Shirley made the motion to commit funds to the Fremont Waterworks Company in the amount of \$150,000 (19%) to be purchased at 0% interest with annual payments of \$1,000 the first 11 years, and \$2,000 to approximately \$28,000 the next 13 years. Lucille Taylor seconded the motion and the Board agreed.

SPECIAL ITEMS

#D600 Carlisle Water Co.

#D815 Carlisle Water Co.

Steve Wilde reported the Carlisle Water Company projects were for assistance in repairing Gordon Dam. The water company requested in a letter that their current loan payments (\$2100 and \$4900) due December 1, 2002 be postponed for one year due to the lack of water and crop production. Cleal Bradford made the motion to amend the contracts for the Carlisle Water Company agreements #D600 and #D815 and postpone its \$2100 and \$4900 payments for one year (December 1, 2003). Ivan Flint seconded the motion and it was agreed upon by the Board.

#D618 Blanding Irrigation Company

#D759 Blanding Irrigation Company

Steve Wilde reported the Blanding Irrigation Company has two current agreements with the Board. #D618 is for an irrigation pipeline project and #D759 is for a pressurized agricultural sprinkle irrigation system. Due to the severe drought in San Juan County and the company's almost total lack of crop production this year, the company is requesting the December 1 payments (\$23,000 and \$12,000) be delayed one year. Cleal Bradford made the motion the contracts be amended for the Blanding Irrigation Company's projects (#D618 and #D759) and the payments be deferred one year until December 1, 2003. Ivan Flint seconded the motion and it was agreed upon by the Board.

#K203 Enterprise Reservoir & Canal Co.
#N236 Enterprise Reservoir & Canal Co.

Steve Wilde reported the Enterprise Reservoir and Canal Company is requesting deferment on projects #K203 (repair of Enterprise Dam) and #N236 (pressurized sprinkle irrigation system) due to the severe drought and lack of crop production. The company would like the payments (\$12,900 and \$104,200) be deferred one year until March 1, 2004; all remaining payments will be due one year later. On project #N236 it is requested the interest not accrue from March 1, 2003, through February 29, 2004.

Harold Shirley made the motion the contracts be amended for Enterprise Reservoir and Canal Company projects #K203 and #N236. The payments (\$12,900 and \$104,200) will be deferred until March 1, 2004 and no interest will accrue from March 1, 2003 until February 29, 2004 on #N236. Paul Riley seconded the motion and the Board agreed.

#N226 New Escalante Irrigation Company

Steve Wilde said in 1981 the Board provided financial assistance to the New Escalante Irrigation Company for construction of a pressurized irrigation system. Since that time the Board has amended the contract several times. Due to the drought and poor crop production the company is requesting the \$24,328 interest portion of its \$83,000 total payment be forgiven. Harold Shirley made the motion the contract be amended for the New Escalante Irrigation Company and the \$24,328 interest portion of its March 1, 2003 payment, due March 1, 2003, be forgiven. Cleal Bradford seconded the motion and it was agreed upon by the Board.

#E037 Payson City

Payson City requested financial assistance to construct a 6,000 acre-foot irrigation water storage reservoir in the Walker Flat area of Payson Canyon. Because the city is now undecided as to whether to build the project, staff recommends the application be withdrawn. Lucille Taylor made the motion the Payson City application be withdrawn from further consideration by the Board. Brad Hancock seconded the motion and the Board agreed.

APPROVAL OF 2003 BOARD MEETING SCHEDULE

Lucille Taylor made the motion the 2003 Board Meeting Schedule be adopted as revised (copy attached). Harold Shirley seconded the motion and it was agreed upon by the Board.

DIRECTOR'S REPORT

Dave Cole gave a brief report on the progress of the cloud seeding program. He said with the Uinta Mountains Project area coming in this year the Board will be providing approximately 41% of the cost.

Director Anderson asked Eric Millis to introduce four new staff members to the Board. Mr. Millis introduced Quinnette Blatter, Tim Heyrend, Russ Barrus and Justin Johnson. They each gave a brief background of themselves.

Director Anderson said a resolution has been agreed upon allowing the use of Upper Colorado River Basin compact water in the lower basin of the same state. He referred to a copy of a resolution supporting the state of New Mexico's Navajo-Gallup water supply project which would use a portion of New Mexico's upper basin water in the lower Colorado River Basin of New Mexico. This resolution has been sent to the three Lower Basin states for their consideration.

Mr. Anderson referred to a memo in the Board folder regarding the state of California reaching a tentative agreement on the Quantification Settlement Agreement. Once this agreement is signed, California will be in compliance with the interim surplus guidelines. This is a positive step leading to California's ultimate reduction in Colorado River water use to its apportioned allocation of 4.4 million acre-feet.

In the Board folder there is a copy of a Memorandum of Agreement between the four water funding agencies (Water Resources, Water Pollution Control, Safe Drinking Water and Community Impact Board) stating the Division of Water Resources will evaluate the adequacy and completeness of Water Management and Conservation Plans submitted to each agency; there will be no charge for this service.

Mr. Anderson said Tage Flint, General Manager of the Weber Basin Water Conservancy District wrote a letter thanking the Board for its assistance at the last Board meeting with a bond insurance grant.

CHAIR'S REPORT

Chair Peterson reported on the Governor's Task Force for Water Funding subcommittee. He said it's hard to find another revenue source other than the 1/16% sales tax that spreads widely over as many people. He said this topic could be carried right on through the legislative session.

NEXT MEETING

The next Board meetings will be held December 20, 2002 with the Briefing Meeting beginning at 8 a.m. in Room 314 and the Board meeting at 10 a.m. in the auditorium. The Board and Division Christmas luncheon at the Lion House will begin at 1 p.m.

Meeting adjourned at 3:25 p.m.

BOARD OF WATER RESOURCES
TOUR OF GREEN RIVER AND BLANDING AREA

September 19, 2002

Board members, selected staff and guests drove to Green River on September 18 and stayed at the Comfort Inn. At about 8:30 the next morning everyone got in vans and rode around Green River. Randy Nelson and Lee Thayn of the Gunnison Butte Mutual Irrigation Company rode with the group and talked about the proposed project for the Nelson's.

The group stopped at the project site while Mr. Nelson showed an aerial map of the project area and pointed out the proposed project features and operation. Everyone walked down to the area on the Green River where Mr. Nelson is proposing to put a pumping station that would be powered by electricity. Board members asked about the pumps and costs for the power. The group drove by Mr. Nelson's sod farm operation before returning to the motel.

About 10:30 a.m. everyone left Green River and stopped at the Grand County Water Conservancy District office in Moab. The group drove through the Spanish Valley area and stopped at the diversion structure on Mill Creek that was built in 1981 and partially financed by the Board. The group also stopped at Ken's Lake where John Chartier of Sunrise Engineering explained a possible project to get more water into the lake.

After leaving Moab, everyone stopped at the city park in Monticello, where the group was met by Trent Schafer, the city manager and Ferd Johnson, the manager of the San Juan Water Conservancy District. Everyone drove to Loyd's Lake and looked at the reservoir, which is down to the conservation pool. The group then stopped at Devil's Canyon while Mr. Johnson talked about the highway repair work that UDOT will be working on during the spring. He said the conservancy district signed an agreement with UDOT to use the extra fill dirt from the Devil's Canyon highway job on the stability berm at Recapture Dam that is required to comply with the dam safety requirements. When the group stopped at Recapture Dam, Mr. Johnson pointed out the area for the new spillway that will be constructed. He also talked about the slide and pointed out the area where the fill dirt would be placed. The group continued on to Blanding.

BOARD OF WATER RESOURCES
TOUR OF GREEN RIVER AND BLANDING AREA

September 19, 2002

Attendees

Warren Peterson
Paul and Dorothy Riley
Lucille and Richard Taylor
Brad Hancock
Ivan and Marlene Flint
Cleal Bradford

Dennis Strong
Lloyd Austin
Randy Staker
Nancy Fullmer
Steve Wilde
Todd Stonely
Sherm and Marsha Hoskins
Eric Klotz

Randy Nelson
Lee Thayn
John Chartier
Trent Schafer
Ferd Johnson

Approved
MINUTES

BOARD OF WATER RESOURCES
BRIEFING MEETING

September 20, 2002

Old Timers Restaurant

Blanding, Utah

BOARD OF WATER RESOURCES

Briefing Meeting
September 20, 2002

The Board of Water Resources held a briefing meeting and breakfast on September 20, 2002 at 7:00 a.m. at the Old Timer's Restaurant in Blanding, Utah.

The following people were in attendance:

BOARD MEMBERS

Warren Peterson
Paul Riley
Lucille Taylor
Cleal Bradford
Ivan Flint
Brad Hancock

STAFF MEMBERS

Dennis Strong
Lloyd Austin
Nancy Fullmer
Steve Wilde

VISITORS

Sherm Hoskins

Chair Warren Peterson called the meeting to order and welcomed everyone.

Discussion of Projects

Steve Wilde said the Gunnison Butte Mutual Irrigation Company feasibility report was the same report that was presented in June. He said the Board heard comments from Randy Nelson and saw the project area on its tour yesterday. The Board members expressed concern about the collateral for the loan.

There was considerable discussion about how the Board could help the Nelson's get their proposed project funded. Mr. Wilde said the irrigation company did not want its name on the contract if the project is authorized. The irrigation company was only formed to get the Flaming Gorge water right.

The project withdrawals listed under special items were discussed. Juab Lake Irrigation Company has not responded to staff's requests regarding withdrawal of the project. The Board discussed the request from Fremont Waterworks Company to accept a parity with the existing and proposed loans from the Board of Water Resources. Rural Development is scheduled to provide the major part of the funding for the proposed project, but its security requirements are basically the same as the Board's requirements.

Lucille Taylor expressed her concerns about the requests for grants for bond insurance. She said the Cities Water Loan Fund only receives money from loan repayments and will be depleted by giving grants that will not be returned. She felt the Board should reconsider how it handles requests for bond insurance. She plans to make a motion to table the three requests for bond insurance and suggests a subcommittee of the Board come up with some rationale of how to handle requests for bond insurance. Ivan Flint said by receiving grant funds for bond insurance, the three large water districts would not have to request large loans from the Board. The districts represent a large percentage of population throughout the state.

Dennis Strong said the funds proposed for bond insurance would be coming out of the Conservation and Development Fund rather than the Cities Water Loan Fund. He said the Board has to use creative financing for ten percent of its funding. He felt it would be a good idea to create a subcommittee and establish rules for bond insurance requests. There was considerable discussion about the Board giving grants to buy bond insurance.

Cleal Bradford discussed the request from the San Juan Water Conservancy District that the interest portion of its March repayment be forgiven by the Board. He said the Board members heard the request last month, and he plans to make a motion to authorize the district to use the funds the same as the Board did four years ago during the drought. He said the funds could be used to help fund water projects in the rural portions of San Juan County. The Board members had considerable discussion about the request and similar requests that will be presented at the November Board meeting.

Mr. Strong said Lloyd Austin would present the request for committal of funds for the 2002-2003 Operational Cloud Seeding Program.

Other Items

Chair Peterson suggested several changes to the August 9, 2002 Board meeting minutes.

The briefing meeting ended about 8:20 a.m.

Approved
MINUTES
BOARD OF WATER RESOURCES MEETING
September 20, 2002

Nations of Four Corners Cultural Center
707 West 500 South
Blanding, Utah

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SUMMARY OF BOARD ACTIONS

1. The Minutes of the August 8 and 9, 2002 meetings were approved with suggested changes. page 1
2. Chair Peterson was authorized to sign the letter to the Central Utah Water Conservancy District to support development of facilities to get water into the South Utah County communities page 1
3. The Gunnison Butte Mutual Irrigation Company project was tabled for six months. page 2
4. The Board withdrew the Juab Lake Irrigation Company, Silver Spurs Water Company, Draper Irrigation Company, Independence Mutual Water Company and Beaver City applications from further consideration by the Board. page 3
5. The Board approved parity for the Fremont Waterworks Company loan subject to approval by the Board's legal counsel. page 4
6. A committee was appointed to examine existing policies for responding to requests for assistance with bond insurance. page 4
7. A grant of \$75,000 was given to the Washington County Water Conservancy District to buy bond insurance. page 4
8. The Weber Basin Water Conservancy District received a grant in the amount of \$150,000 to purchase bond insurance. page 5
9. The Jordan Valley Water Conservancy District received a grant in the amount of \$150,000 for the purchase of bond insurance. page 5
10. The San Juan Water Conservancy District (Lloyd's Lake) contract was amended and three years were added to the agreement. page 5
11. The March 2003 interest payment for San Juan Water Conservancy District (Recapture Dam and Lloyd's Lake) was forgiven with the condition the funds would be utilized in the development of water projects outlined in letters received from the conservancy district, county commission and Curtis Yanito. page 6
12. The Board committed \$150,000 for the operational cloud seeding program to be cost shared at 50 percent or less.

THOSE PRESENT

The Utah BOARD OF WATER RESOURCES met in regular session on Friday, September 20, 2002, at the Nations of Four Corners Cultural Center, 707 West 500 South, Blanding, Utah. Chair Warren Peterson presided over the 8:30 a.m. meeting.

BOARD MEMBERS PRESENT:

Warren Peterson
Paul Riley
Brad Hancock
Lucille Taylor
Cleal Bradford
Ivan Flint

STAFF MEMBERS PRESENT:

Dennis Strong, Deputy Director
Lloyd Austin, Asst. Director
Nancy Fullmer, Administrative Secretary
Randy Staker, Accountant
Steve Wilde, Chief, Investigations
Todd Stonely, Sr. Engineer
Eric Klotz, Chief, Resource Inventories and Special Studies

OTHERS PRESENT:

Sherm Hoskins, Deputy Director, Department of Natural Resources
Doug Nielsen, Sunrise Engineering

Randy Nelson, Board member, Gunnison Butte Mutual Irrigation Company

Ferd Johnson, Chairman, San Juan Water Conservancy District
Ty Lewis, County Commissioner, San Juan County
Curtis Yanito, Utah Navajo, Casa Del Echo

MINUTES
BOARD OF WATER RESOURCES MEETING
September 20, 2002

Chair Warren Peterson welcomed everyone and thanked Sherman Hoskins, Deputy Director of the Department of Natural Resources for being in attendance.

APPROVAL OF MINUTES

Paul Riley made the motion to approve the minutes of the August 8 and 9, 2002 Board meetings with suggested changes. Lucille Taylor seconded the motion and the Board agreed.

CHAIR'S REPORT

Chair Peterson thanked Randy Nelson and Cleal Bradford for their hospitality on Thursday, and also Curtis Yanito for sharing his music. Mr. Peterson reported on the gubernatorial task force meeting regarding water development funding. Governor Leavitt charged the task force to look at the way water funding is now done in Utah and look at alternatives. He made it very clear that he's interested in having the 1/16% sales tax come back into the general fund. Ivan Flint said the Governor asked the task force to have an open mind in considering alternatives.

Mr. Peterson said Paul Riley had been tracking efforts for funding to study the Logan First Dam that has now been funded.

Chair Peterson referred the Board to the letter addressed to the Central Utah Water Conservancy District (CUWCD) supporting development of facilities to get water into the South Utah County communities. Lucille Taylor made the motion to authorize Chair Peterson to sign the letter to the CUWCD and send it on. Cleal Bradford seconded the motion and it was agreed upon by the Board.

FEASIBILITY REPORT

#E004 Gunnison Butte Mutual Irrigation Co.

Chair Peterson introduced Randy Nelson. Steve Wilde reported the Gunnison Butte Mutual Irrigation Co. project was tabled in the June 14th Board meeting until the Board could tour the area. Mr. Nelson took the Board on a tour of the project area yesterday. Mr. Wilde reminded the Board the Gunnison Butte Mutual Irrigation Co. was organized for the express purpose of obtaining Flaming Gorge water rights from the Board. Some of the water users of the irrigation company are ready to use their Flaming Gorge water in existing systems; others are willing to install their own systems to use the water. Randy Nelson and his son Kent have 440

acres of private ground and 1100 acres of SITLA ground they'd like to use for a rotational grazing operation, raising calves October through July and building up to 3,700 animals per year; and also grow about 125 acres of lawn turf. Mr. Nelson is requesting financial assistance to install a pumped pressurized irrigation system. Water will be pumped from the Green River to a pond, then pressure boosted for use in 13 central pivot sprinklers. The system will serve Mr. Nelson's operation and be installed over five years or so as he has ability to cultivate additional acreage. No other shareholders appear to be interested in obtaining board funding at this time. The project is estimated to cost \$1.475 million.

Based on the estimates and income expenses of the operation a BC ratio of 2.3 is arrived at. Under the project, 1540 acres of rangeland will be converted to cultivated ground, utilizing approximately 9,240 acre-feet of Flaming Gorge water right.

Staff feels this is a very ambitious project even though it appears to be able to pay for itself over the long run, it will probably be operated "in the red" for the first several years. Projects with few or one stockholder pose additional risk to the Board. In many cases the value of the water rights provides security for the Board, in the case of Gunnison Butte the security is questionable as the water rights were granted by the Board. If the Board authorizes the project it may want to consider requiring the Nelsons to become personally responsible by mortgaging their personal assets or bringing SITLA into the mix.

Mr. Nelson reiterated the proposed project and expressed hope the Board would be able to fund it. He thanked the Board for touring his proposed project area, and said the project would develop water for future generations; his son Kent will be there to carry on the operation after he's gone. He said the project would provide an opportunity for the state to hang onto its Colorado River water. Mr. Peterson asked if they had contacted the Farm Service Agency as a possibility for a federal loan. Mr. Nelson said they had. Cleal Bradford said the Board is concerned because all the Board would have as security would be the piping system and the value of the land. The Board would be more comfortable if SITLA would become involved.

After considerable discussion Cleal Bradford said the Board does everything it can to assist with projects, but the consensus pretty much is they would like to see the Nelson's explore other options that would increase security. He made the motion to table the Gunnison Butte Mutual Irrigation Company project for six months. Paul Riley seconded the motion and the Board agreed.

Mr. Peterson introduced Doug Nielsen of Fillmore, Utah. Mr. Nielsen said he had come to the meeting as they were interested in doing the same kind of thing as the Nelson's in Spanish Valley. They are working with Dale Pierson of the Grand County Water Conservancy District.

SPECIAL ITEMS

#D901 Juab Lake Irrigation Co.

The company requested assistance to improve its irrigation system. Changes in leadership have altered the company's focus on how it wants to address problems and operations. Because there doesn't appear to be a clear direction shareholders want to follow, staff recommends the application be withdrawn.

#D990 Silver Spurs Water Co.

The company requested assistance to make improvements to the system once it was owned by the company. Since the application is to just purchase the system, staff recommends it be withdrawn.

#E023 Draper Irrigation Co.

The company requested financial assistance to enlarge and upgrade its 3.3 MGD culinary water treatment plant. The project is being funded by the Drinking Water Board, so staff recommends it be withdrawn from further consideration.

#E078 Independence Mutual Water Co.

The company requested financial assistance to drill and equip a well and install a pressurized irrigation system. It desired to provide an alternate source of water for outdoor use since it felt the price of culinary water provided by the town was too high and burdensome to many. The company and the town have since worked together and culinary water rates have been adjusted to more accurately reflect the water's cost. The company therefore requests its application be withdrawn.

#L543 Beaver City

The city requested assistance to replace 1,150 old water meters in its culinary water system and install an automated meter reading system. Because the city feels it can obtain better loan repayment terms on the private market than those staff would recommend it requests its application to the Board be withdrawn.

Lucille Taylor recommended the Board withdraw the Juab Lake Irrigation Co., Silver Spurs Water Co., Draper Irrigation Co., Independence Mutual Water Co. and Beaver City applications from further consideration by the Board. Brad Hancock seconded the motion and it was agreed upon by the Board.

#E057 Fremont Waterworks Company

Steve Wilde reported the Board authorized funding in the amount of \$150,000 (19%) to improve the company's culinary water system. The Board has assisted the company with two other projects in the past and holds title to the water system and water rights. Rural Development is scheduled to provide the major part of the funding for the proposed project, however its security requirements are basically the same as the Board's. The Board holds the company's security and the Fremont Irrigation Company is requesting the Rural Development loan be on a parity with the existing and proposed Board loans.

Paul Riley made the motion to approve parity for the Fremont Waterworks Company loan subject to approval by the division's legal counsel. Cleal Bradford seconded the motion and the Board agreed.

Bond Insurance

The Board discussed the requests of Washington County Water Conservancy District, Weber Basin Water Conservancy District and Jordan Valley Water Conservancy District for a grant for bond insurance. In the Briefing meeting the Board considered establishing a committee to review the policy of giving grants for bond insurance.

Ivan Flint said he felt since grants had been given in the past, the three water conservancy districts requesting grants at this time should be approved instead of tabling their requests until a later date. Mr. Flint made a motion approving the three requests as well as establishing a committee to consider future grant requests. Paul Riley seconded the motion. Chair Peterson said the three conservancy district's requests needed to be presented individually rather than all together. Mr. Flint withdrew his motion. Lucille Taylor said the recommendation for a committee needed to be a separate motion. Ms. Taylor made a motion to appoint a committee to examine existing policies and come back with recommendations for responding to requests for assistance with bond insurance. Paul Riley seconded the motion and the Board agreed. Chair Peterson asked Paul Riley to chair the committee and Brad Hancock, Ivan Flint and Lucille Taylor to be on the committee. The committee is to meet and make recommendations to the Board.

#E092 Washington County Water Conservancy District (WCWCD)

Dennis Strong reported the WCWCD is requesting the Board provide a grant of \$75,000 to buy bond insurance. The bonds are to be used over the next 3-5 years in Washington County for the extension of pipelines. The insurance will reduce the interest rate by about .5% and represents \$500,000 in savings over a 30 year period of the bond. Ivan Flint made the motion to grant the Washington County Water Conservancy District \$75,000 to buy bond insurance. Brad Hancock seconded the motion. Lucille Taylor asked the Board to postpone consideration of the request until after the committee had met and made recommendations. After discussion, Chair Peterson called for a vote and the Board agreed with the exception of Lucille Taylor who voted no.

#E093 Weber Basin Water Conservancy District

Mr. Strong said the Weber Basin Water Conservancy District is requesting a grant for bond insurance in the amount of \$150,000. The bonds will be used for numerous water projects within the district's service area. The insurance will reduce the interest rate by approximately .6% and save the district \$2 million in interest over a 25-year repayment period. Brad Hancock made the motion to grant the Weber Basin Water Conservancy District \$150,000 for bond insurance. Cleal Bradford seconded the motion and the Board agreed. Lucille Taylor opposed the motion.

#E094 Jordan Valley Water Conservancy District (JVWCD)

Dennis Strong reported the Jordan Valley Water Conservancy District is requesting the Board grant \$150,000 to buy bond insurance. This will reduce the interest rate by .75% and save the district \$2 million over a 25-year purchase period. The bonds will be used to fund ongoing capital improvements for the next two years. Cleal Bradford made the motion to grant the JVWCD district \$150,000 for the purchase of bond insurance. Ivan Flint seconded the motion and it was agreed upon by the Board with the exception of Lucille Taylor who voted no.

SAN JUAN WATER CONSERVANCY DISTRICT REQUEST

Chair Peterson introduced Ferd Johnson with the district, Ty Lewis with the County Commission and Curtis Yanito. Dennis Strong said over the years several improvements, repairs, and modifications have had to be made to Monticello Dam (Lloyd's Lake). The cost of these repairs, and cost of engineering associated with preparing plans and specifications and managing construction have been added to the final balloon payment. These increases have become substantial. The water referendum for Monticello Dam approved a 40-year repayment period, however the payment schedule was set over the same time period as the Recapture Dam which was completed three years before the Monticello Dam. Therefore, staff is recommending the Monticello Dam contract be amended and three years be added to the agreement.

Cleal Bradford made the motion to amend the San Juan Water Conservancy District (Lloyd's Lake) contract and add three years to the agreement. Ivan Flint seconded the motion and it was unanimously agreed upon by the Board.

Mr. Strong said the San Juan Water Conservancy District has requested the interest portion of its March, 2003, payment for Recapture Dam and Lloyd's Lake be forgiven. The district wishes to use the money to assist water users in San Juan County in mitigating the impacts of this year's drought and making improvements to community water systems. Commissioner Lewis and Ferd Johnson explained the water problems throughout the county as well as on Navajo Mountain. Mr. Yanito further expressed the severe water problems on the Navajo Indian reservation.

Cleal Bradford explained there are matching funds available from other sources if the Board forgives the interest payment and the amount is made available to the district. He said the Utah Navajo Trust Fund Board chair has indicated they will match any monies dollar for dollar on the reservation, also there is the possibility of the Indian Health Service matching funds, and San Juan County providing matching funds. Mr. Bradford made the motion to forgive the San Juan Water Conservancy District its March 2003 interest payment for Recapture Dam and Loyd's Lake with the condition the funds would be utilized in the development of water projects outlined in letters received from the conservancy district, county commission and Curtis Yanito. A report is to be made back to the Board by February 1, 2003 stating how the money has been spent. Paul Riley seconded the motion and it was agreed upon by the Board.

APPROVAL OF CLOUD SEEDING FUNDS

Lloyd Austin said the division is requesting the Board commit funds for the 2002-2003 operational cloud seeding program up to a maximum of \$150,000. It will be cost shared 50/50 or less with the sponsors. The following projects have expressed interest in this year's operational program: Central and Southern Utah Project including Tooele County, Northern Project, West Uintas Project and a potential new project for this year in the Uinta Basin with a joint sponsor of both Duchesne County and the Uintah Water Conservancy District.

Brad Hancock made the motion the Board commit \$150,000 for the operational cloud seeding program to be cost shared 50 percent or less. Ivan Flint seconded the motion. The Board agreed unanimously.

DIRECTOR'S REPORT

Dennis Strong said Lloyd Austin is retiring at the end of September and will be missed. He said Mr. Austin should be given credit for his great effort and contribution to water development. Mr. Strong said there were four excellent candidates that applied for his position. It was a difficult decision, however Eric Millis was selected as the new Assistant Director of Planning. Lloyd Austin expressed appreciation to the Board for the association he's had with them and also all the opportunities he's received while working with the Division of Water Resources. The Board members expressed appreciation to Lloyd for his time spent with the division.

NEXT MEETING

The next meetings of the Board of Water Resources will be held November 8, 2002 in Salt Lake City. The Briefing meeting will be held in the morning and the Board meeting in the afternoon.

Meeting adjourned at 11:05 a.m.